

Coforge FZ-LLC
Dubai - United Arab Emirates

FINANCIAL STATEMENTS

31 MARCH 2025

Coforge FZ-LLC
Dubai - United Arab Emirates

General information

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Coforge FZ-LLC
Dubai - United Arab Emirates

Director's report

The Directors have pleasure in submitting their report together with the financial statements of Coforge FZ LLC for the year ended 31 March 2025. These financial statements were approved during the Board of Directors meeting held on 25 September 2025.

Principal activities of the Company

The Company is licensed by Dubai Development Authority to serve in the software industry as consultant, developer, to provide customer service, support and solutions to customers.

Financial review

The table below summarizes the results of year ended 31 March 2025 and 31 March 2024.

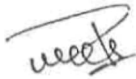
	2025 (AED'000)	2024 (AED'000)
Revenue from contract with customers	173,776	207,991
Gross profit	18,754	30,233
Net profit after tax	8,145	25,033
Gross profit margin	10.79%	14.54%
Net profit margin	4.69%	12.04%

Auditor


Ernst & Young Middle East (Dubai Branch) have indicated their willingness to continue as auditors of the Company for the year ending 31 March 2026 and have offered themselves for re-appointment.

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors



Authorised Signatory
Pankaj Malik
Date: 25 September 2025



Authorised Signatory
Saurabh Goel
Date: 25 September 2025



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF COFORGE FZ-LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Coforge FZ-LLC (the “Company”), which comprise the statement of financial position as at 31 March 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Company in accordance with the *International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards)* (the “IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our qualified opinion.

Other Matter

The financial statements of the Company for the year ended 31 March 2024 were audited by another auditor whose report dated 29 April 2024 expressed an unmodified opinion on those financial statements.

Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Dubai Creative Clusters Private Companies Regulations 2016 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF COFORGE FZ-LLC (continued)

Report on the Audit of the Financial Statements (continued)

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
COFORGE FZ-LLC (continued)**

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, the financial statements of the Company have been properly prepared, in all material respects, in accordance with the applicable provisions of the Dubai Creative Clusters Private Companies Regulations 2016.

Ernst & Young Middle East (Dubai Branch)



Ashraf Abu Sharkh
Registration No: 690

25 September 2025

Dubai, United Arab Emirates

Coforge FZ-LLC

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2025

	Notes	2025 AED'000	2024 AED'000
Revenue from contract with customers	4	173,776	207,991
Cost of revenue	5	(154,907)	(177,641)
GROSS PROFIT		18,869	30,350
Other income	6	111	-
General and administrative expenses	7	(9,247)	(4,502)
Finance income	8	67	-
Finance costs	9	(850)	(815)
PROFIT BEFORE TAX		8,950	25,033
Income tax expense	23	(805)	-
PROFIT FOR THE YEAR		8,145	25,033
Other comprehensive income/(loss) for the year			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
- Remeasurement of net defined end of service benefit liability	18	(524)	(234)
- Income tax relating to items that will not be reclassified to profit or loss	23	47	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,668	24,799



The attached notes 1 to 24 form part of these financial statements.

Coforge FZ-LLC

STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 AED'000	2024 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	19,912	9,093
Advances, deposits and other receivables	14	44	146
		<u>19,956</u>	<u>9,239</u>
Current assets			
Due from related parties	11A	2,189	2,816
Loan to a related party	12A	4,407	-
Trade receivable	13	83,745	117,952
Advances, deposits and other receivables	14A	6,474	8,066
Bank balances	15	19,007	4,319
		<u>115,822</u>	<u>133,153</u>
TOTAL ASSETS		<u>135,778</u>	<u>142,392</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16	5,000	5,000
Retained earnings	17	48,156	40,488
Total equity		<u>53,156</u>	<u>45,488</u>
Non-current liabilities			
Employees' end of service benefits	18	1,726	2,124
Current liabilities			
Employees' end of service benefits	18	1,409	735
Loan from related parties	12B	11,000	14,680
Due to related parties	11B	49,072	35,064
Accounts payable and accruals	19	18,657	44,301
Income tax payable	23	758	-
		<u>80,896</u>	<u>94,780</u>
Total liabilities		<u>82,622</u>	<u>96,904</u>
TOTAL EQUITY AND LIABILITIES		<u>135,778</u>	<u>142,392</u>



The attached notes 1 to 24 form part of these financial statements.

Coforge FZ-LLC

STATEMENT OF CHANGES IN EQUITY

For year ended 31 March 2025

	<i>Share capital AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total equity AED'000</i>
At 1 April 2023	5,000	15,689	20,689
Profit for the year	-	25,033	25,033
Other comprehensive income for the year	-	(234)	(234)
Total comprehensive income for the year	-	24,799	24,799
At 31 March 2024	5,000	40,488	45,488
Profit for the year	-	8,145	8,145
Other comprehensive income for the year	-	(477)	(477)
Total comprehensive income for the year	-	7,668	7,668
At 31 March 2025	5,000	48,156	53,156

The attached notes 1 to 24 form part of these financial statements.

Coforge FZ-LLC

STATEMENT OF CASH FLOWS

For year ended 31 March 2025

	Notes	2025 AED'000	2024 AED'000
OPERATING ACTIVITIES			
Profit before tax		8,950	25,033
Adjustments for:			
Depreciation on property, plant and equipment	10	6,007	1,211
Provision for employees' end of service benefits	18	1,681	1,640
Provision for expected credit loss	7	38	-
Finance income	8	(67)	-
Finance costs	9	850	815
		<u>17,459</u>	<u>28,699</u>
Working capital changes:			
Trade receivable		34,169	(41,710)
Advances, deposits and other receivables		1,694	8,466
Due from related parties*		694	1,770
Accounts payable and accruals		(25,644)	12,136
Due to related parties*		13,273	(7,309)
		<u>41,645</u>	<u>2,052</u>
Cash generated from operations		(1,373)	(1,361)
Employees' gratuity paid	18	(671)	(855)
Employees' leave encashment paid	18		
		<u>39,601</u>	<u>(164)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	10	(16,826)	(10,264)
Loan to a related party	12A	(4,407)	-
		<u>(21,233)</u>	<u>(10,264)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans from related party	12B	-	12,810
Repayment of loans from related party	12B	(3,680)	-
		<u>(3,680)</u>	<u>12,810</u>
Net cash flows (used in) / from financing activities			
		<u>14,688</u>	<u>2,382</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at 1 April		4,319	1,937
CASH AND CASH EQUIVALENTS AT 31 MARCH	15	<u>19,007</u>	<u>4,319</u>
* certain non-cash transactions have been adjusted in the cash flow as mentioned below:			
Finance income receivables from related parties		(67)	-
Finance cost payable to related parties		735	698

The attached notes 1 to 24 form part of these financial statements.

1 LEGAL STATUS AND BUSINESS ACTIVITIES

Coforge FZ-LLC (the “Company”) was registered on 14 April 2008 as a Free Zone Limited Liability Company and operates in the United Arab Emirates (“UAE”) under a commercial license issued by the Dubai Development Authority.

The Company is licensed by Dubai Development Authority to serve in the software industry as consultant, developer, to provide customer service, support and solutions to customers.

The registered office of the Company is located at Premises 206, Floor 02, Building 04, Dubai Outsource City, Dubai, United Arab Emirates.

The Company is wholly owned subsidiary of Coforge Limited (“Parent company”), located at Plot No. 13, Udyog Vihar, Phase-IV, Sector-18, Palam Road, Gurugram - 122015, Haryana, India.

These financial statements combine the operating results of the Company & its branch as mentioned below:

Company name	License No.	Issued by
Coforge FZ-LLC	16704	Dubai Development Authority
Coforge FZ-LLC (Dubai Branch)	ADAFZ00065	Abu Dhabi Airports Free Zone

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 March 2024, except as follows:

2.1 New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. These new and amended standards and interpretations did not have any material impact on the financial statements of the Company.

- Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

2.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company’s financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Lack of exchangeability – Amendments to IAS 21 (The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed).
- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later).
- Hedge Accounting by a First-time Adopter - IFRS 1 First-time Adoption of International Financial Reporting Standards (The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted).
- Gain or Loss on Derecognition - IFRS 7 Financial Instruments: Disclosures (The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted).
- Lessee Derecognition of Lease Liabilities - IFRS 9 Financial Instruments (The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted).

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2 Standards issued but not yet effective (continued)

- Transaction Price - IFRS 9 Financial Instruments (The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted).
- Determination of a 'De Facto Agent' - IFRS 10 Financial Statements (The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted).
- Cost Method – IAS 7 Statement of Cash Flows (The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted).
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted, but will need to be disclosed).
- IFRS 18 Presentation and Disclosure in Financial Statements (The amendments will be effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (The amendments will be effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted and must be disclosed.).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. The amendments must be applied prospectively. Early application is still permitted and must be disclosed).

The amendments will be effective for annual reporting periods as mentioned in above. Early adoption is permitted but will need to be disclosed. When applying the amendments, Company cannot restate comparative information.

3 MATERIAL ACCOUNTING POLICIES INFORMATION

3.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These financial statements are presented in United Arab Emirates Dirham (“AED”) which is the functional and presentation currency of the Company, and all values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

The financial statements have been prepared on the historical cost convention basis, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

The principal accounting policies applied in these financial statements are set out below.

3.2 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/ non-current classification.

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

3 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

3.2 Current versus non-current classification (continued)

A liability is current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3.3 Foreign currency

The transactions in currencies other than the Company's functional currency are recognised at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. The non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.4 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment using the straight line method over its useful lives as follows:

	Life (Years)
Plant and machinery	2-5
Furniture and fixtures	4-10
Computers and peripherals	2-5
Software	3

When part of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

3 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

3.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include bank balances and cash, trade and other receivables, loan to a related party, due from related parties which are carried at amortised cost.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss – The Company has designated financial assets as fair value through profit or loss;
- Financial assets at amortised cost (debt instruments) – The Company subsequently measures financial assets at amortised cost using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired;
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) - The Company has not designated any financial asset at fair value through OCI with recycling of cumulative gains and losses; and
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) - The Company has not designated any financial asset at fair value through OCI with no recycling of cumulative gains and losses upon derecognition.

Financial assets at amortised cost

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised costs consists of bank balances, trade receivables, advances, deposits and other receivables, loan to related party and due from related parties.

The Company does not have any financial assets within the other categories stated above.

3 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

3.5 Financial instruments (continued)

Financial assets (continued)

Subsequent measurement (continued)

Cash and cash equivalents

For the purpose of statement of cash flow, cash and cash equivalents include cash in hand and balance in current accounts and term deposits with banks with original maturity of three months or less.

Trade receivables

Trade receivables are stated at original invoice less provision for impairment.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of profit or loss.

Advances, deposits and other receivables

Deposits and other receivables are recognised at amortised costs less impairment losses, if any.

Loan to a related party

Loan to a related party are recognised at amortised costs less impairment losses, if any.

Due from related parties

Due from related parties are recognised at amortised costs less impairment losses, if any.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Material accounting judgment, estimates and assumptions (note 3.15)
- Financial assets (note 11A, note 12A, note 13, note 14, note 15)

The Company recognises an allowance for expected credit losses (ECLs) for instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

3 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

3.5 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Trade and other receivables, due from related parties, loan to a related party

The Company applies a simplified approach in calculating ECLs. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. The Company's financial liabilities include accounts payable, loan from related parties, other payable and due to related parties.

Subsequent measurement

The Company's financial liabilities include accounts and other payable, due to related parties, and loan from related parties.

The measurement of financial liabilities depends on their classification.

Accounts and other payables

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Due to related parties

Amounts due to related parties are stated at amortised cost.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

3.7 Fair value measurement

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability; or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

3.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

3.9 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

i) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.10 Contingencies

Contingent liabilities are not recognised in financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

3.11 Employees' end of service benefits

The Company provides end-of-service benefits to its employees. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

3.12 Revenue recognition

The Company has adopted IFRS 15 and has applied the following accounting policy in the preparation of its financial statements.

Revenue from Contracts with Customers

The Company recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

- Step 1 Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must met.
- Step 2 Identify the performance obligations in the contract : A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3 Determine the transaction price : The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties.
- Step 4 Allocate transaction price to the performance obligations in the contract : For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in an exchange for satisfying each performance obligation.
- Step 5 Recognise revenue when (or as) the Company satisfies a performance obligation.

3 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

3.12 Revenue recognition (continued)

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- 1) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- 2) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- 3) The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all its revenue arrangements.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Contract costs

Incremental costs of obtaining a contract and costs incurred in fulfilling a contract with customer are recognised as contract costs assets and amortised over the term of the contract on a systematic basis. The Company pays deal bonus to its employees for contract with customers in accordance with Company's policy which is classified as cost to obtain a contract. The deal bonus is amortised over the term of the contract on a systematic basis is included as part of employee benefits expense.

Other income

Other income is recognised at a point in time when earned.

3.13 Value Added Tax (VAT)

Revenue, expenses, and assets are recognised at amounts net of value added tax except,

- where VAT incurred on purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or part of the expense items, as applicable.
- where receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

3.14 Income taxes

Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

3.14 Income taxes (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associate, and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

3.15 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in policy notes, management are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Critical judgments in applying accounting policies

In the process of applying the Company's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

The Company applied judgment that significantly affect the determination of the amount and timing of revenue from contracts with customers regarding the performance obligation is satisfied upon at the point in time when control of materials is transferred to the customer, generally on delivery or collection of goods by the customer.

3 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

3.15 Critical accounting judgments and key sources of estimation uncertainty (continued)

Consideration of significant financing component in a contract with customers

There is a significant financing component for certain contracts entered by the Company with customer, considering the length of time between the customers' payment and providing services as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is adjusted, using the interest rate implicit in the contract.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for expected credit loss on receivables

Allowances for doubtful debts are determined using a combination of factors to ensure that accounts receivable are not overstated due to uncollectible. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of receivables, continuing credit evaluation of the customer's financial conditions and collateral requirements from customers in certain circumstances. In addition, specific allowances for individual accounts are recorded when the Company becomes aware of the customer's inability to meet its financial obligations. As at 31 March 2025, the gross trade receivable amounted to AED 75,840 thousand (2024: AED 103,001 thousand) with expected credit losses on receivable amounting to AED 38 thousand (2024: nil).

Useful lives of property and equipment

Property and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company creates provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable Company and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Company's operations.

As the Company assesses the probability of litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

Going concern

These financial statements have been prepared on a going concern basis as management has assessed and have also taken account of all relevant information in assessing the appropriateness of the going concern basis. Management has concluded that there is no uncertainty about the future of the Company for the next 12 months, based on the assessments made on the relevant forecasted information.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2025

4 REVENUE FROM CONTRACT WITH CUSTOMERS

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Sale of services	<u>173,776</u>	<u>207,991</u>
Total revenue from contract with customers	<u>173,776</u>	<u>207,991</u>
Timing of revenue recognition		
Services provide over the period of time	<u>173,776</u>	<u>207,991</u>

Sale of services amounting to AED 2,096 thousand (2024: AED 6,207 thousand) is from related parties (note 11).

a) Disaggregate revenue information

Geographically, revenue from sale of goods and rendering of services is earned in the UAE.

b) Particulars pertaining to contract liabilities (note 19)

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Balance at the beginning	5,644	-
Revenue recognised during the year from opening contact liability	5,636	-

The balance of contract liability as on 31 March 2025 is AED 2,441 thousand (31 March 2024: AED 5,644 thousand).

c) Performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in IAS 15, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the Company's performance completed to date, typically those contracts where invoicing is on time and material basis, fixed monthly / fixed capacity basis and transaction basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, and adjustment for revenue that has not materialised and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2025, other than those meeting the exclusion criteria mentioned above, is AED 5,652 thousand (31 March 2024: Nil). Out of this, the Company expects to recognise revenue of around AED 5,529 thousand (31 March 2024: Nil) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2025

5 COST OF REVENUE

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Purchase of services from affiliates (note 11)	69,440	70,038
Salaries and related benefits	36,018	35,588
Outsourcing costs- Salaries	28,523	37,388
Software licensing costs	19,542	33,077
Employees' end of service benefits (note 18)	932	1,059
Staff welfare expenses	452	491
	154,907	177,641

6 OTHER INCOME

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Foreign currency exchange gain/(loss) - net	111	-
	111	-

7 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Depreciation on property, plant and equipment (note 10)	6,007	1,211
Legal, visa and professional expenses	1,914	1,875
Travelling and entertainment expenses	708	682
Expenses related to a short term and low value leases	300	287
Bank charges	92	82
Telephone and communications expenses	60	71
Advertisement expenses	50	76
Insurance expenses	41	30
Provision for expected credit loss (note 13)	38	-
Repairs and maintenance expenses	25	18
Utilities expense	6	5
Miscellaneous expenses	6	2
Foreign currency exchange loss (net)	-	163
	9,247	4,502

Legal, visa and professional include management services from affiliates amounting to AED 1,715 thousand (2024: 1,540 thousand) (note 11).

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2025

8 FINANCE INCOME

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Interest income (note 11)	67	-
	67	-

Interest income from affiliates amounting to AED 67 thousand (2024: Nil) (note 11).

9 FINANCE COSTS

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Interest expense (note 11)	735	698
Interest costs on employees end of service benefits (note 18)	115	117
	850	815

Interest expense from affiliates amounting to AED 735 thousand (2024: AED 698 thousand) (note 11).

10 PROPERTY, PLANT AND EQUIPMENT

	<i>Plant and machinery AED'000</i>	<i>Furniture and fixtures AED'000</i>	<i>Computers and peripherals AED'000</i>	<i>Software AED'000</i>	<i>Total AED'000</i>
Cost					
At 1 April 2024	6	10	151	10,200	10,367
Additions	13	-	97	16,716	16,826
Disposals	-	(1)	(1)	-	(2)
At 31 March 2025	19	9	247	26,916	27,191
Accumulated depreciation					
At 1 April 2024	4	10	71	1,189	1,274
Charge for the year	1	-	52	5,954	6,007
Relating to disposals	-	(1)	(1)	-	(2)
At 31 March 2025	5	9	122	7,143	7,279
Net carrying value at 31 March 2025	14	-	125	19,773	19,912

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2025

10 PROPERTY, PLANT AND EQUIPMENT (continued)

	<i>Plant and machinery AED'000</i>	<i>Furniture and fixtures AED'000</i>	<i>Computers and peripherals AED'000</i>	<i>Software AED'000</i>	<i>Total AED'000</i>
Cost					
At 1 April 2023	2	10	91	-	103
Additions	4	-	60	10,200	10,264
At 31 March 2024	6	10	151	10,200	10,367
Accumulated depreciation					
At 1 April 2023	2	10	51	-	63
Charge for the year	2	-	20	1,189	1,211
At 31 March 2024	4	10	71	1,189	1,274
Net carrying value at 31 March 2024	2	-	80	9,011	9,093

11 RELATED PARTY TRANSACTIONS

The Company enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. Such transactions are in the normal course of business at mutually agreed terms and conditions which are approved by the Company's management.

Related parties comprise entities under common ownership and/or common management and control, their partners and key management personnel. Further, related parties include directors and key management personnel of the Company.

Management decides on the terms and conditions of the transactions and services received from/rendered to related parties as well as other charges, if applicable.

Balances with related parties included in the statement of financial position are as follows:

	2025 AED'000	2024 AED'000
A) Due from related parties		
<i>Entities under common control</i>		
Coforge Inc., USA	828	747
Coforge UK Limited, UK	899	1,547
Coforge Limited Company One Person, Saudi Arabia	274	-
Coforge AdvantageGo Limited, UK	188	-
Coforge Pte Limited, Singapore	-	522
	2,189	2,816
B) Due to related parties		
Coforge Limited, India (Parent company)	47,561	34,419
<i>Entities under common control</i>		
Coforge BPM Inc. USA	842	417
Coforge Airline Technologies, Germany	342	96
Coforge SF Private Limited, India	241	104
Coforge Technologies Australia Pty Ltd, Australia	86	28
	49,072	35,064

Outstanding balances at the year-end arise in the normal course of business. For the year ended 31 March 2025, the Company has not recorded impairment of amounts owed by related parties (2024: Nil).

11 RELATED PARTY TRANSACTIONS (continued)

Transactions with related parties included in the statement of comprehensive income are as follows:

Balances with entities owned or controlled by holding company (Coforge Limited, India) during the year included in the other comprehensive income:

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Revenue from affiliates (note 4)	2,096	6,207
Purchase of services from affiliates (note 5)	(69,440)	(70,038)
Interest expenses (note 9)	(735)	(698)
Management services (note 7)	(1,715)	(1,540)
Interest income (note 8)	67	-

Key management compensation

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Salaries and other short-term employee benefits	936	1,715
Employees' end of service benefits	371	301
	1,007	2,016

12 LOANS TO/FROM RELATED PARTIES**A) Loan to a related party**

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Coforge Limited Company One Person, KSA	4,407	-
	4,407	-

The Company has given loan to its fellow subsidiary company on 27 August 2024, Coforge Limited - Company One Person, Saudi Arabia for the term of 24 month (further auto-renew for 2 yrs from date of expiry) and at an interest rate of 6.93% p.a. payable annually. The loan is repayable on demand.

B) Loan from related parties

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Coforge Technologies Australia Pty Ltd, Australia (note a)	7,346	7,346
Coforge BPM Inc., USA (note b)	3,654	7,334
	11,000	14,680

a) The Company has taken loan from its fellow subsidiary company on 21 June 2021 & 14 June 2023, Coforge Technologies Australia PTY Ltd. for the term of 24 month (further auto-renew for 2 yrs from date of expiry) and at an interest rate of 4.50% p.a. (2024: 4.50% p.a.). The loan is repayable on demand.

b) The Company has taken loan from its fellow subsidiary company on 20 June 2023, Coforge BPM Inc. USA for the term of 24 month (further auto-renew for 2 yrs from date of expiry) and at an interest rate of 7.25% p.a. (2024: 7.25% p.a.). The loan is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2025

13 TRADE RECEIVABLE

	2025 AED'000	2024 AED'000
Accounts receivable	75,840	103,001
Less: Provision for expected credit loss (note 7)	(38)	-
	75,802	103,001
Contract asset	7,943	14,951
	83,745	117,952

At 31 March 2025, the Company's top five customers' accounts for 78% (2024:87%) of the trade receivables as of that date. Management is of the opinion that this concentration of credit risk is mitigated since the amount of balances outstanding is from customers with whom there has been a long-standing relationship with no recent history of any credit default during the year. The subject companies have a good reputation in the UAE.

Movement in the expected credit loss of trade receivables is as follows:

	2025 AED'000	2024 AED'000
At 1 April	-	-
Charge during the year (note 7)	38	-
At 31 March	38	-

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	Total AED'000	Not due AED'000	1-30 days AED'000	31-60 days AED'000	61-90 days AED'000	91-180 days AED'000	>180 days AED'000
2025							
Gross receivables	83,783	56,241	16,202	5,622	1,562	4,030	126
Expected credit loss	38	-	-	-	-	-	38
Expected credit loss as a % of gross	0.05%	-	-	-	-	-	30.16%
Carrying amount	83,745	56,241	16,202	5,622	1,562	4,030	88
2024							
Gross receivables	117,952	102,660	7,448	1,848	3,007	2,940	49
Expected credit loss	-	-	-	-	-	-	-
Expected credit loss as a % of gross	-	-	-	-	-	-	-
Carrying amount	117,952	102,660	7,448	1,848	3,007	2,940	49

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2025

14 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Prepayments	2,787	5,705
Margin deposits	3,237	1,597
Deposits	-	435
Deferred contract cost	246	266
Staff loan and advances	237	125
Other receivables	11	84
	<u>6,518</u>	<u>8,212</u>
Current	6,474	8,066
Non-current	44	146
	<u>6,518</u>	<u>8,212</u>

15 BANK BALANCES

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Cash at bank – current account	19,007	4,319
	<u>19,007</u>	<u>4,319</u>

16 SHARE CAPITAL

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Authorised, issued and fully paid up 5,000 shares (2024: 5,000 shares) of AED 1,000 each	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

<i>Name of Shareholder</i>	<i>Incorporated in</i>	<i>Percentage</i>	<i>No. of shares</i>	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Coforge Limited	India	100%	5,000	5,000	5,000
		100%	5,000	5,000	5,000

17 RETAINED EARNINGS

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Balance at the beginning of the year	40,488	15,689
Profit for the year	8,145	25,033
Other comprehensive income/(loss)	(477)	(234)
Balance at the end of the year	<u>48,156</u>	<u>40,488</u>

18 EMPLOYEES' END OF SERVICE BENEFITS

<i>Particulars</i>	<i>Non-current</i>	<i>2025 AED'000 Current</i>	<i>Total</i>	<i>Non-current</i>	<i>2024 AED'000 Current</i>	<i>Total</i>
Gratuity	1,726	562	2,288	2,124	81	2,205
Leave encashment	-	847	847	-	654	654
	<u>1,726</u>	<u>1,409</u>	<u>3,135</u>	<u>2,124</u>	<u>735</u>	<u>2,859</u>

	<i>Gratuity</i>		<i>Leave encashment</i>	
	<i>2025 AED'000</i>	<i>2024 AED'000</i>	<i>2025 AED'000</i>	<i>2024 AED'000</i>
Balance at the beginning of the year	2,205	2,273	654	811
Add: Charge for the year recognised in statement of comprehensive income	932	1,059	864	698
Add: Charge for the year recognised in other comprehensive income	524	234	-	-
Less: Paid during the year	(1,373)	(1,361)	(671)	(855)
Balance at the end of the year	<u>2,288</u>	<u>2,205</u>	<u>847</u>	<u>654</u>

(a) Defined benefit plans- Gratuity

The Company operates defined benefit plans that provide retirement benefits to employees. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

(i) Reconciliation of present value of defined benefit obligation (DBO)

	<i>2025 AED'000</i>	<i>2024 AED'000</i>
Present value of obligation	<u>2,288</u>	<u>2,205</u>

(ii) Amount of obligation as at the year end is determined as under

<i>Description</i>	<i>2025 AED'000</i>	<i>2024 AED'000</i>
Opening present value of obligation	2,205	2,273
Interest cost (note 9)	115	117
Current service cost	817	942
Benefits paid	(1,373)	(1,361)
Actuarial (gain)/loss on obligation	524	234
Closing present value of obligation	<u>2,288</u>	<u>2,205</u>

18 EMPLOYEES' END OF SERVICE BENEFITS (continued)**(iii) Expense recognised in profit or loss**

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Current service cost	817	942
Interest cost (note 9)	115	117
	932	1,059

(iv) Remeasurements recognised in other comprehensive income (OCI)

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Actuarial losses on defined benefit obligation	524	234

Principal Assumptions:

The principal assumptions used in determining gratuity & leave encashment obligations for the Company's plans as shown below:

	<i>2025</i>	<i>2024</i>
Discount rate	4.96% p.a.	5.30% p.a.
Salary growth rate	4.00% p.a.	2.00% p.a.
Withdrawal rate	Age less than 30 years-13.73%, 35-44 years- 13.73%, 35-44 years- 13.73%, 45-50 years – 13.73%, 51-54 years – 13.73%, 55 years and above- 13.73%	Age less than 30 years-16%, 35-44 years- 5%, 35-44 years- 5%, 45-50 years - 3%, 51-54 years - 2%, 55 years and above- 1%

(v) Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 6.59 years. The expected maturity analysis of undiscounted benefit payments is as follows:

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Less than a year	562	81
Between 1 - 2 years	187	509
Between 2 - 5 years	985	440
Over 5 years	3,571	1,827
	5,305	2,857

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2025

19 ACCOUNTS PAYABLE AND ACCRUALS

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Trade payable	10,508	31,742
Provisions and other payable	3,689	4,432
Deferred revenue (note 4)	2,441	5,644
VAT payable - net	1,651	2,093
Accrued salaries and benefits	368	390
	18,657	44,301

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled up to 30 day terms.
- Other payables are non-interest bearing and have an average term of three months.

20 FINANCIAL INSTRUMENTS*a) Significant accounting policies*

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the financial statements.

b) Fair value of financial assets and financial liabilities that are not measured at fair value are:

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
<i>Financial assets</i>	<i>Carrying amount</i>		<i>Fair Value</i>	
Trade receivable (note 13)	83,745	117,952	83,745	117,952
Advances, deposits and other receivables (excluding prepayments and deferred contract cost) (note 14A)	3,485	2,241	3,485	2,241
Due from related parties (note 11A)	2,189	2,816	2,189	2,816
Loan to related party (note 12A)	4,407	-	4,407	-
Bank balance (note 15)	19,007	4,319	19,007	4,319
	112,833	127,328	112,833	127,328
<i>Financial liabilities</i>				
Loan from related parties (note 12B)	11,000	14,680	11,000	14,680
Accounts and other payable (other than VAT payable and deferred revenue) (note 19)	14,565	36,564	14,565	36,564
Due to related parties (note 11B)	49,072	35,064	49,072	35,064
	74,637	86,308	74,637	86,308

Financial instruments comprise of financial assets and financial liabilities.

20 FINANCIAL INSTRUMENTS (continued)

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

Financial assets consist of cash and bank balances, accounts receivable, due from related parties, loan to a related party and certain other assets. Financial liabilities consist of accounts payable and accruals, due to related parties, loan from related parties and certain other liabilities.

As at reporting date financial assets and financial liabilities are approximates their carrying values due to short term maturity of these instruments.

21 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company management set out the Company's overall business strategies and its risk management philosophy. The Company's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The Company policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Company's policy guidelines are complied with.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

The Company manages its financial risk by closely monitoring and diversifying into various markets and different sectors.

a) *Foreign currency risk management*

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes certain transactions denominated in foreign currencies.

The Company does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

b) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rest with management which has built an appropriate liquidity risk management framework for management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

c) *Interest risk*

Interest rate risk is the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

There are borrowings of AED 7,346 thousand (2024: AED 7,346 thousand) & AED 3,654 thousand (2024: AED 7,334 thousand) @ fixed rate 4.5% (2024: 4.5% p.a.) & 7.25% (2024: 7.25% p.a.) respectively in the financial statements and accordingly there is no material exposure to interest rate risk.

There is loan to a related party of AED 4,407 thousand @ fixed rate 6.93% p.a. in the financial statements and accordingly there is no material exposure to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2025

21 FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)*c) Interest risk (continued)***Liquidity and interest risk tables:**

The table below summarises the maturity profile of the Company's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements were as follows:

<i>Particulars</i>	<i>Interest bearing</i>			<i>Non-Interest bearing</i>		
	<i>Within 1 year AED'000</i>	<i>More than 1 year AED'000</i>	<i>On demand or less than 3 months AED'000</i>	<i>Within 1 year AED'000</i>	<i>More than 1 year AED'000</i>	<i>Total AED'000</i>
As at 31 March 2025						
Financial assets						
Trade receivable (note 13)	-	-	-	83,745	-	83,745
Advances, deposits and other receivables (excluding prepayments and deferred contract cost) (note 14A)	-	-	-	3,485	-	3,485
Loan to related party (note 12A)	4,712	-	-	-	-	4,712
Due from related parties (note 11A)	-	-	-	2,189	-	2,189
Bank balance (note 15)	-	-	19,007	-	-	19,007
	4,712	-	19,007	89,419	-	113,138
As at 31 March 2024						
Financial liabilities						
Loan from related parties	11,595	-	-	-	-	11,595
Accounts payable and accruals	-	-	-	14,565	-	14,565
Due to related parties	-	-	-	49,072	-	49,072
	11,595	-	-	63,637	-	75,232
As at 31 March 2024						
Financial assets						
Trade receivable	-	-	-	117,952	-	117,952
Advances, deposits and other receivables	-	-	-	2,241	-	2,241
Due from related parties	-	-	-	2,816	-	2,816
Bank balance	-	-	4,319	-	-	4,319
	-	-	4,319	123,009	-	127,328
Financial liabilities						
Loan from related parties	15,542	-	-	-	-	15,542
Accounts payable and accruals	-	-	-	36,564	-	36,564
Due to related parties	-	-	-	35,064	-	35,064
	15,542	-	-	71,268	-	87,170

21 FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)*d) Credit risk*

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company's exposure are continuously monitored and their credit exposure is reviewed by management regularly.

Accounts receivable consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Further details of credit risks on accounts and other receivable are disclosed in Note 13 to the financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risks.

22 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder's value.

The Company manages its capital structure and makes adjustments to it, in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years end 31 March 2025 and 31 March 2024. Capital comprises share capital, statutory reserve and retained earnings and is measured at AED 53,156 thousand as at 31 March 2025 (2024: AED 45,488 thousand).

23 INCOME TAX**A. UAE Corporate income tax**

The major components of income tax expense in the statement of comprehensive income are:

	2025 <i>AED'000</i>	2024 <i>AED'000</i>
Current income tax		
Income tax expenses	805	-
Other comprehensive income (OCI)		
<i>Current tax related to item recognised in OCI during year:</i>		
Remeasurement of net defined end of service benefit liability		
Current tax credit to OCI	(47)	-
	758	-

Following is the reconciliation of income tax expenses and accounting profit:

	2025 <i>AED'000</i>	2024 <i>AED'000</i>
Profit before tax for the year	8,950	-
Income tax expense (at statutory income tax rate of 9%)	805	-
Effective tax rate of	9%	-

For the purpose of determining income tax expense for the year, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices. The Company has not identified any material risks or uncertainties in the structure from a corporate tax perspective and will continuously monitor further developments that could impact the tax profile of the Company.

23 INCOME TAX (continued)**A. UAE Corporate income tax (continued)**

Movement in the provision for income tax payable is as follows:

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
At 1 April	-	-
Charge during the year	758	-
At 31 March	758	-

During the year, the Company has not made any payment in respect of income tax liability and, accordingly, income tax provision during the year of AED 758 thousand is payable as at 31 March 2025.

B. Global minimum tax

On 23 May 2023, the International Accounting Standards Board (the Board) issued International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 which clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements Qualified Domestic Minimum Top-up Taxes.

The Company has adopted these amendments however, they are not yet applicable for the current reporting year as the Company's revenue is currently below the threshold of €750 million.

The UAE, published Federal Decree-Law No. 60 of 2023, amending specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, as part of its commitment to the OECD guidelines. The amendments introduced by this decree are intended to prepare for the introduction of the BEPS 2.0 Pillar Two Rules. Additionally in December 2024, the UAE Ministry of Finance has announced that a Domestic Minimum Top-up Tax will be effective in the UAE for financial years starting on or after 1 January 2025.

The Company is not a member of a Multinational Company that is within the scope of Pillar Two rules for the year ended 31 March 2025. Management will continue to assess the potential applicability of Pillar Two rules on an ongoing basis and assess any potential top-up tax in accordance with the relevant legislation after taking into consideration the transitional Safe Harbour relief.

24 COMPARITIVE INFORMATION

Previous year figures have been regrouped/reclassified where necessary to confirm to current year's presentation. These adjustments does not have any effect on the previously reported net loss for the year or total equity.

	<i>As reported earlier</i> <i>in 2024</i> <i>AED'000</i>	<i>Reclassification</i> <i>AED'000</i>	<i>As reported</i> <i>now</i> <i>AED'000</i>
Advances, deposits and other receivables- Non-current	-	146	146
Due from related parties	3,582	(766)	2,816
Trade receivable	103,001	14,951	117,952
Advances, deposits and other receivables- Current	23,163	(15,097)	8,066
Employees' end of service benefits- Non-current	(2,205)	81	(2,124)
Employees' end of service benefits- Current	-	(735)	(735)
Loan from related parties- Non-current	(14,680)	14,680	-
Loan from related parties- Current	-	(14,680)	(14,680)
Due to related parties	(34,059)	(1,005)	(35,064)
Accounts and other payables	(46,726)	2,425	(44,301)